

SUMMARY OF HEADLEASE TERMS – HEBBLE WHARF, WATERFRONT, WAKEFIELD

Extent of Interest

You are being offered the long leasehold interest comprised in Land Registry title number WYK896117 which derives from a lease dated 27 November 2008 made between (1) CTP St James Limited and (2) Waterfront Wakefield (Hebble Wharf) Limited (hereinafter referred to as the “**Head Lease**”).

The Head Lease sits immediately beneath the freehold title to the estate, which remains held by a third party, most likely to give it sufficient control to manage the estate and to recover the estate service charge.

The occupational leases of the apartments, commercial units and car parking spaces within the building are created out of the Head Lease and sit beneath it.

Title to the Head Lease currently shows 104 registered leases of apartments, commercial units and car parking leases granted out of the Head Lease with varying terms from 250 years to 998 years. There are further applications for registration of similar entries at the Land Registry which are, as yet, unknown.

The Head Lease was granted for a term of 998 years to commence on 27 November 2008 (so will expire on 26 November 3006) and is in respect of the whole of the area shown edged in red on the plan attached to it (which is effectively the outline of the building itself).

Rights Granted

The Tenant is granted the following rights under the Head Lease:

- rights to use utilities and any plant and machinery serving the building;
- rights of entry onto the adjoining parts of the estate for carrying out works to the building or to any utilities or plant and machinery serving the building;
- rights to use the common parts of the estate for the purposes for which they were designed;
- rights of support and protection for the land comprised in the Head Lease from the adjoining land on the estate;
- rights to affix signage to any estate signage maintained by the Landlord;
- rights for gutters, downpipes, roofs or other parts of the building erected on the land comprised in the Head Lease to overhang the adjoining land.

Rights Reserved

The Landlord has the following rights which can be exercised over the land comprised in the Head Lease:

- to carry out works to the remainder of the estate;
- to attach security equipment or lighting to the building on the land comprised in the Head Lease required to provide security or lighting to the common parts of the wider estate;
- rights to enter the land comprised in the Head Lease upon notice for repairing utilities or plant, for repairing or maintaining common items or to comply with its obligations under the Head Lease or under statute (subject to the Landlord making good any damage caused in doing so);
- rights to over sail the land comprised in the Head Lease with cranes.

Rent

The Head Lease reserves an annual rent of “one peppercorn” which is payable if demanded to the Landlord.

In real terms there is no annual rent to pay.

Other Payments and Outgoings

The Head Lease obliges the Tenant to make payments towards an estate service charge regime, further details of which are provided below.

The Tenant is required to pay all other outgoings in respect of the building whatsoever. Principally this is intended to cover matters such as rates / Council Tax and all utility payments payable in respect of the whole building.

Insurance

The Head Lease obliges the Tenant to maintain at its own cost the following insurances in respect of the land comprised in the Head Lease (including any buildings on it):

- buildings insurance in a sum equal to the full reinstatement value of the building (including costs of demolition, shoring up and site clearance, professional fees and VAT);
- third party and public liability insurances.

In the event of damage to the building the Tenant is required to seek necessary consents to reinstate the damage and if those consents are obtained the Tenant is obliged to reinstate the building (but not necessarily in the same appearance or layout as before the damage took place).

Other Tenant Obligations

Repair

The Tenant is obliged to repair and maintain the building throughout the lease term so that it complies with all applicable statutory requirements.

The Tenant is also responsible for the state of repair and condition of the land within the Head Lease either surrounding or beneath the building (which would include being responsible for any contamination of the ground).

Decoration

The Tenant is obliged to redecorate the exterior wood and ironwork at the building at regular intervals of no more than 5 years throughout the lease term.

Dealings

If the Tenant wishes to sell its interest in the Head Lease it must do so by way of an assignment of the whole of its interest and the purchaser must give the Landlord a direct covenant to comply with the terms of the Head Lease.

Statutory Compliance and Regulations

The Tenant is obliged to comply with:

- all legal obligations in respect of the building; and
- the regulations imposed by Schedule 8 of the Head Lease (which relate to use of the refuse storage areas and estate roads on the estate and to noise generated from the buildings).

Landlord Obligations

The Landlord is obliged to provide the basic estate services referred to below and such of the additional estate services as it considers appropriate.

The Landlord is obliged not to use the areas shown coloured blue on the plan to the Head Lease other than for outside seating and "A" boards used by the adjoining commercial premises and not for any trade purposes after 9pm between Monday and Friday and 11pm on weekends.

Estate Service Charge

The Head Lease obliges the Tenant to pay an estate service charge in respect of services provided by the Landlord for the benefit of the wider estate.

The estate is the land shown edged in green on the plan to the Head Lease. Further land can be included within the estate from time to time, but it cannot extend beyond the limits of the land shown edged in purple on the plan to the Head Lease.

The Tenant is obliged to pay a "fair and reasonable proportion" of the costs incurred by the Landlord in providing the estate services. The Tenant is obliged to make payments on a quarterly basis against an annual budget provided by the Landlord, with a balancing payment either way as required at the end of each service charge year in the event that the actual costs incurred are higher or lower than as budgeted.

The basic estate services are listed in the Head Lease and are too lengthy to reproduce here but effectively relate to the maintenance, cleaning, lighting and security of the estate common parts (roads, landscaped areas, refuse collection areas etc).

The additional estate services which the Landlord may (but is not obliged to) provide relate to additional plant and machinery, decorative items and signage and includes a “catch all” provision which permits the Landlord to provide any other services it reasonably considers appropriate.

The costs which the Landlord can include in the estate service charge are commercially standard and do not merit repetition here. There are provisions allowing the Landlord to run a reserve fund for the estate service charge – we do not know whether such a reserve fund is actually in place. You should enquire of the Landlord in this regard.

It would also be prudent to request confirmation of the current level of estate service charge payable under the Head Lease, together with audited accounts for previous years and confirmation that no significant or unusual expenditure is expected to be required in the coming months and years.

Termination by Forfeiture

The Head Lease may be terminated by the Landlord in the event that the Tenant is in breach of its obligations and (where the breach is remediable) has failed to remedy that breach within a reasonable period of time of receiving notice of it.